

EX PARTE OR LATE FILED



R. Gerard Salemm
Vice President - Government Affairs

Suite 1000
1120 20th Street, N.W.
Washington, DC 20036
202 457-3118
FAX 202 457-3205

COPIES ALL COPY ORIGINAL

May 5, 1997

RECEIVED

MAY 5 1997

Federal Communications Commission
Office of Secretary

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Re: Access Reform
Docket 96-262

Dear Mr. Caton:

On Friday, May 2, 1997 and Saturday, May 3, 1997, Steve Davis and I of AT&T had a series of telephone calls and a meeting with Regina Keeney, Richard Metzger, Larry Atlas and Pat Degraha of the Common Carrier Bureau to discuss different flow-through commitments AT&T could make based on different levels of net access charge reductions. A key to these proposals was the level of discount provided to the basic schedule. As a result of this discussion, we faxed to the Federal Communications Commission at 1:00pm on Saturday, May 3, 1997 the attached.

One copy of this Notice are being submitted on the following businesss day to the Secretary of the FCC in accordance with Section 1.1206(a)(1) of the Commission's rules.

Sincerely,

Attachments

No. of Copies rec'd
List ABOVE

021



Gerald M. Lowrie
Senior Vice President

Suite 1000
1120 20th Street, N.W.
Washington, DC 20036
202 457-2233

May 3, 1997

The Honorable Reed E. Hundt
FCC
1919 M Street, NW
Room 814
Washington, D.C. 20554

Dear Chairman Hundt:

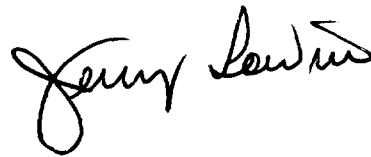
This letter is intended to further articulate AT&T's commitment to flow through access reductions. AT&T will flow through all access savings it receives as a result of the actions that the Commission takes in its Access Reform Rulemaking and related proceedings¹ proportionately to consumer and business services. In the event that net switched access reductions to the interexchange industry equal at least \$1.7 billion effective July 1, 1997, AT&T also will make the following commitments:

1. AT&T's access flow through will include reductions to AT&T's consumer basic schedule prices of 5 percent to the day schedule, 5 percent to the evening schedule and 15 percent to the night/weekend schedule effective with the date of such access reductions.
2. AT&T will flow through any further access savings resulting from these access reform related proceedings to its basic schedule consumer prices in the proportion attributable to its basic consumer call volumes effective with the date of such access reductions.
3. Under the current universal service system AT&T and other interexchange carriers today make a universal service contribution that is calculated as a monthly flat charge per presubscribed access line. This charge today ranges between 50 and 60 cents per line, per month. AT&T and other interexchange carriers do not reflect this charge as a specific line item on any residential customer's bill. Rather, this universal service contribution is recovered through other charges for interstate service, including the per-minute charges for interstate long distance calls. The Commission reportedly is considering

¹ Access charge related decisions adopted during May 1997.

reforms to the existing universal service programs that would modify the above-described practices. The Commission also reportedly is considering reforms to the interstate access charge rules that may include the assessment of flat charges per line, per month, to interexchange carriers. As long as such flat charges are not in excess of the above-referenced current flat charges, AT&T commits that it will not reflect any such flat charges as specific line items or other flat charges on any interstate basic schedule residential customer's bill at least until July 1, 1998. For the six month period thereafter, AT&T makes the same commitment, provided, however, that it has not incurred prior to July 1, 1998, a significant and material loss of revenue from its basic schedule residential customers to dial around services. In the event that AT&T has reason to believe that such a loss has occurred, AT&T shall inform the Commission in writing not later than May 1, 1998. If such loss occurs after May 1, 1998 AT&T shall inform the Commission in writing sixty days prior to taking such action.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Lawler", written in a cursive style.

Copy to: The Honorable James H Quello
 The Honorable Susan Ness
 The Honorable Rachelle B. Chong
 Ms. Regina M. Keeney